# 01478

1991/12/16

## LIMITED OFFICIAL USE

Pate Printed: 01/24/1997

CUC NUMBER · 91GUANGZ07681

CHANNEL: n/a

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ACTION EAP-01

LOG-00 AIT-03 AMAD-01 CIAE-00 DODE-00 DPR-01 INFO ACDA-13 INR-01 LAB-04 L-03 EB-01 HA-09 H-01 INRE-00 ADS-00 NSAE-00 NSCE-00 OMB-01 PA-01 PM-01 PRS-01 SNP-01 P-01 SIL-01 SP-01 SS-01 TRSE-00 T-01

USIE-00 /048W

----B7830C 160735Z /38

P 160732Z DEC 91
FM AMCONSUL GUANGZHOU
TO SECSTATE WASHDC PRIORITY 3004
INFO AMEMBASSY BEIJING PRIORITY
AMCONSUL SHANGHAI
AMCONSUL SHENYANG
AMCONSUL HONG KONG
AIT TAIPEI 1508

DEPARTMENT OF STATE IM/IPS/CR/ITY/9/1 Date: 3/19/97

CONTROL DECLASSIFY EO Chatlons

() DENY

DEPARTMENT OF STATE

IM/IPS/CR/ITY/9/1 Date: 3/19/97

DECLASSIFY

EO Chatlons

IN PART

FOIA Exemptions

TS authority to

( ) CLASSIFY as ( ) 5 or ( ) C Sec.

( ) DOWNGRADE TS to ( ) 8 or ( ) C

LIMITED OFFICIAL USE SECTION 01 OF 02 GUANGZHOU 07681

BEIJING PLEASE PASS SCR THOMAS GRAY

BEIJING PLEASE PASS CHENGDU

E.O. 12356: N/A

TAGS: PGOV, ELAB, SHUM, CH

SUBJECT: TRACKING DOWN PRISON LABOR TEA

REFS:

A) TELCON TKACIK/GRAY 12/12/91 LIMITED OFFICIAL USE

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- B) FAX GRAY/TKACIK 12/13/91
- C) TEL/FAX WILLIAMS/GRAY 12/13/91
- D) GUANGZHOU 01143

1. REFS A AND B CONCERN REPORTS PUBLISHED IN ENGLISH-LANGUAGE HONG KONG DAILY "SOUTH CHINA MORNING POST" (SCMP) IN RECENT WEEKS (NOVEMBER 30 AND DECEMBER 11) THAT IDENTIFY THE RED STAR TEA FARM (HONG XING CHA CHANG) AS A FORCED LABOR CAMP PRODUCING TEA FOR EXPORT TO THE UNITED STATES. THE RED STAR TEA FARM IS LOCATED IN YINGDE COUNTRY IN GUANGDONG PROVINCE NORTH OF CAPITAL GUANGZHOU. THE CHINA NATIONAL NATIVE PRODUCE AND ANIMAL BY-PRODUCTS IMPORT AND EXPORT CORPORATION EXPORTS TEA TO THE UNITED STATES UNDER THE "YINGDE" BRAND NAME AS WELL AS SELLING IN BULK TO U.S. TEA RETAILERS.

Date Printed: 01/24/1997

CHANNEL: n/a

2. CONSULATE POLITICAL OFFICER GARY WILLIAMS AND FOREIGN COMMERCIAL OFFICER DENNY BARNES MET DECEMBER 13 WITH MU YOUWEI, THE MANAGING DIRECTOR OF THE GUANGDONG TEA BRANCH OF THE ABOVE MENTIONED IMPORT EXPORT CORPORATION. THIS MEETING WAS REQUESTED IMMEDIATELY FOLLOWING THE FIRST PUBLICATION OF SCMP'S ACCUSATION CONCERNING FORCED LABOR TEA PRODUCTS FOR EXPORT TO THE U.S. (A SECOND SCMP ARTICLE ON DECEMBER 11 REPORTED U.S. CUSTOMS WAS CONSIDERING A BAN ON YINGDE TEA R"ZAQSU OF THE APPARENT CONNECTION WITH A FORCED LABOR CAMP.) MU DENIED THE SCMP REPORT AND SAID NO CHINESE TEA COULD BE LEGALLY EXFORTED EXCEPT THROUGH HIS ORGANIZATION. HE SAID "TO HIS KNOWLEDGE" NO TEA PRODUCED IN FORCED LABOR (I.E., "REFORM THROUGH LABOR") LIMITED OFFICIAL USE

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PAGE 03 GUANGZ 07681 01 OF 02 160734Z CAMPS OR PRISONS WAS EXPORTED FROM GUANGDONG PROVINCE.

- 3. MU THEN EXPLAINED THE RED STAR TEA FARM IN YINGDE COUNTRY WAS, IN FACT, A FORCED LABOR CAMP. BUT HE SAID ITS PRODUCT WAS NOT EXPORTED BY HIS CORPORATION. HE PRESENTED SAMPLES OF YINGDE BRAND TEA (AS WELL AS BAGGED SAMPLES PREPARED FOR BULK BUYERS) AND RED STAR BRAND TEA. BOTH THE PACKAGING, LABELING, AND THE TEA WERE CLEARLY DIFFERENT IN APPEARANCE AND QUALITY. HE DENIED ANY KNOWLEDGE OF THE WENQUAN (HOT SPRINGS) TEA FARM WHICH, ACCORDING TO REF B. HAS ALSO BEEN IDENTIFIED AS A FORCED LABOR CAMP. HE SAID THE WENQUAN TEA FARM, IF IT EXISTED, DID NOT SUPPLY TEA TO HIS CORPORATION.
- 4. WILLIAMS EXPLAINED TO MU WHILE THE SAMPLE PACKAGES OF TEA FROM YINGDE SUGGESTED THE SCMP ARTICLE MIGHT BE IN ERROR IT WAS ABSOLUTELY ESSENTIAL U.S. OFFICIALS WITH RESPONSIBILITY FOR DEALING WITH THIS ISSUE HAVE THE OPPORTUNITY TO VISIT YINGDE AND SEE FOR THEMSELVES HOW THE TEA IS PACKAGED. HE EXPLAINED HONG KONG BASED SENIOR CUSTOMS REPRESENTATIVE THOMAS GRAY COULD COME TO GUANGDONG FOR SUCH A VISIT AROUND DECEMBER 20 OR LATER. MU SAID HE WOULD TRY TO ARRANGE SUCH A TRIP. HE SAID HE DID NOT KNOW, HOWEVER, IF HE COULD ARRANGE ENTRY INTO THE RED STAR TEA FARM. MU ALSO PROVIDED A WRITTEN REPORT, IN ENGLISH AND CHINESE AND ADDRESSED TO THE CONSULATE, DESCRIBING TEA PRODUCTION IN YINGDE COUNTY AND DENYING ANY CONNECTION BETWEEN YINGDE BRAND TEA (OR OTHER CHINESE TEAS) FOR EXPORT AND FORCED LABOR CAMP TEA PRODUCTION. FOLLOWING THIS MEETING, WHICH LIMITED OFFICIAL USE

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GUANGZ 07681 01 OF 02 160734Z PAGE 04 CONCLUDED JUST PRIOR TO COB ON A FRIDAY AFTERNOON, WILLIAMS REPORTED THIS INFORMATION BY TELEPHONE AND FAX IMMEDIATELY TO SCR GRAY IN HONG KONG (REF C).

5. TWO DAYS EARLIER, ON DECEMBER 11, DURING AN EVENING DINNER FOR A VISITING STAFFDEL, GUANGDONG FOREIGN AFFAIRS OFFICE DIRECTOR HUANG QUN AND COFERT DIRECTOR XU DEZHI TOLD CONSULATE ECONOMIC OFFICER LEE BRUDVIG THERE WAS NO TRUTH TO THE SCMP ARTICLE (NOVEMBER 30) CONCERNING YINGDE TEA. XU SAID HIS OFFICE HAD THOROUGHLY RESEARCHED THE ACCUSATION AND DETERMINED THERE WAS "NOT A SHRED OF TRUTH" TO IT. HE OFFERED TO

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ADS-00 NSAE-00 NSCE-00 OMB-01 PA-01 PM-01 PR	INFO	P-01	SIL-01	H-01 NSCE-00	INRE-00 OMB-01	INR-01 PA-01	LAB-04 PM-01	DPR-0 L-03 PRS-0 T-01
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-----B78318 160735Z /38

P 160732Z DEC 91 FM AMCONSUL GUANGZHOU TO SECSTATE WASHDC PRIORITY 3005 INFO AMEMBASSY BEIJING PRIORITY AMCONSUL SHANGHAI AMCONSUL SHENYANG AMCONSUL HONG KONG AIT TAIPEI 1509

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BEIJING PLEASE PASS SCR THOMAS GRAY

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Date Printed: 01/24/1997

DOC\_NUMBER: 91GUANGZ07681 CHANNEL: n/a

# BEIJING PLEASE PASS CHENGDU

E.O. 12356: N/A

TAGS: PGOV, ELAB, SHUM, CH

SUBJECT: TRACKING DOWN PRISON LABOR TEA

SET UP A VISIT TO THE YINGDE AREA INCLUDING THE RED LIMITED OFFICIAL USE

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PAGE 02 GUANGZ 07681 02 OF 02 160735Z STAR TEA FARM. HE DID NOT, HOWEVER, IDENTIFY THE RED STAR TEA FARM AS A FORCED LABOR CAMP.

6. COMMENT. THERE MAY WELL BE SOME CONFUSION BETWEEN FORCED LABOR CAMP TEA PRODUCED FOR DOMESTIC CONSUMPTION AND OTHER TEA DESTINED FOR EXPORT AND PRODUCED IN THE SAME AREA BY NONPRISON LABOR WORKERS. A VISIT TO YINGDE AND TO THE RED STAR TEA FARM MAY ENABLE US TO CLEAR THIS MATTER UP. WE WILL PRESS HARD TO SET UP THIS VISIT. WE ARE, IN ANY EVENT, ENCOURAGED BY LOCAL REACTION TO THE SCMP ARTICLE AND THE APPARENT WILLINGNESS OF GUANGDONG OFFICIALS TO PROVIDE US EVIDENCE IN THEIR DEFENSE. THE ORIGINAL SCMP ARTICLE ON RED STAR TEA SAID IT WAS SOLD IN THE GUANGZHOU FLOWER CITY ENTERPRISE AND ASSORTED GOODS SHOP, WHICH IS OWNED BY A LOCAL PRISON. WE HAVE IDENTIFIED IN PREVIOUS REPORTS (REF D) THIS PRISON AS A POSSIBLE EXPORTER OF FORCED LABOR PRODUCTS TO THE U.S. A REQUEST TO VISIT THIS PRISON HAS BEEN PENDING FOR ALMOST TWO MONTHS. MU YOUWEI'S REPORT TO US DENIED ANY CONNECTION BETWEEN HIS CORPORATION AND THIS PRISON.

HARTER

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<sup>\*\*\*</sup> Current Classification \*\*\* LIMITED OFFICIAL USE